

**False River Air Park Commission  
New Roads, Louisiana  
(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Annual Financial Report**

**As of and for the year ended  
December 31, 2013**

**A Joint Venture of the  
Pointe Coupee Parish Police Jury  
And  
City of New Roads, Louisiana**

**False River Air Park Commission  
New Roads, Louisiana**

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

Members of the Board of Directors  
False River Air Park Commission  
New Roads, Louisiana

**Report on Financial Statements**

I have audited the accompanying financial statements of the business-type activities of False River Air Park Commission (A Component Unit of the Pointe Coupee Parish Police Jury) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

**Opinions**

In my opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of False River Air Park Commission as of December 31, 2013, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Members of the Board of Commissioners  
False River Air Park Commission  
New Roads, Louisiana

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued a report dated June 9, 2014, on my consideration of the Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

*W. Kathleen Beard*

Certified Public Accountant  
June 9, 2014

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**

## FALSE RIVER AIR PARK COMMISSION

### NEW ROADS, LA.

#### Management's Discussion and Analysis

Our discussion and analysis of False River Air Park Commission, New Roads, Louisiana's financial performance provides an overview of False River Air Park Commission's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Commission's basic financial statements.

#### Financial Highlights

The assets of the Commission exceeded its liabilities at December 31, 2013 by \$6,599,965 (Net Position). Of this amount \$288,483 was unrestricted and may be used to meet the Commission's ongoing obligations. Net position increased by \$433,146 in fiscal year 2013.

#### Overview of the Financial Statements

The annual report consists of three parts: Management discussion and analysis, basic financial statements, and supplementary information. The basic financial statements present information for the Commission and is designed to make the statements easier to understand. The basic financial statements consist of the fund financial statements and notes to the financial statements.

STATEMENT OF NET POSITION - TABLE I

	2012	2013
Current and other assets	\$ 280,043	\$ 389,433
Capital assets	6,170,994	6,610,195
TOTAL ASSETS	6,451,037	6,999,628
 TOTAL LIABILITIES	 284,218	 399,663
 Net Position:		
Invested in capital assets, net of related debt	5,904,991	6,311,482
Unrestricted	261,827	288,483
TOTAL NET POSITION	\$ 6,166,818	\$ 6,599,965

Net position is assets restricted as to the purposes they can be used for, or, are invested in capital assets (buildings, equipment, lighting, property, fencing, navigational aids, runways and taxiways, etc.). Unrestricted net position is those assets that do not have any limitations for which these amounts may be used.

## FALSE RIVER AIR PARK COMMISSION

### NEW ROADS, LA.

#### Management's Discussion and Analysis (Continued)

##### CHANGES IN NET POSITION - TABLE II

Revenue:		
Operating:		
Charges for services	\$ 176,942	\$ 161,886
Non-operating:		
Operating grants	121,561	345,675
Interest revenue	1	1
TOTAL REVENUE	298,504	507,562
Expenses:		
Operating	553,627	507,555
Non-operating:		
Capital asset maintenance projects	-	232,639
Loss on disposal of assets	3,517	-
TOTAL EXPENSES	557,144	740,194
Excess (deficiency) before contributions	(258,640)	(232,632)
Contributions - capital grants	683,253	665,778
Change in Net Position	424,613	433,147
Beginning Net Position	5,742,205	6,166,818
Ending Net Position	\$ 6,166,818	\$ 6,599,965

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

At December 31, 2013 the Commission had \$6,610,195 invested in capital assets, including property, buildings, runways, taxiways, lighting, navigational aids, fencing, and equipment. There were additions to capital assets of \$712,830 during 2013. The Commission had no outstanding debt at December 31, 2013.

##### **Contacting the Commission's Management**

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional information, contact the False River Air Park Commission's office at the False River Regional Airport in New Roads, Louisiana.

## **BASIC FINANCIAL STATEMENTS**



**False River Air Park Commission  
New Roads, Louisiana  
(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Statement of Net Position  
December 31, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 9,841
Intergovernmental receivables	4,918
Other receivables	1,000
Prepaid insurance	2,720
Total Current Assets	<u>18,479</u>

**NONCURRENT ASSETS**

Restricted Assets -	
Cash and cash equivalents	13,806
Intergovernmental receivables	357,147
Total Restricted Assets	<u>370,953</u>
Capital Assets -	
Nondepreciable	3,135,910
Depreciable (net of accumulated depreciation)	3,474,236
Total Capital Assets	<u>6,610,195</u>
Total Noncurrent Assets	<u>6,981,148</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 6,999,628</u></u>
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**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Payable from Current Assets:	
Accounts payable	\$ 13,047
Accrued salaries payable	12,807
Retirement payable	3,172
Total Payable from Current Assets	<u>29,026</u>

Payable from Restricted Assets:	
Accounts payable	95,805
Construction contracts payable	245,813
Retainage payable	29,019
Total Payable from Restricted Assets	<u>370,637</u>
Total Liabilities	<u>399,663</u>

Net investment in capital assets	6,311,482
Unrestricted	<u>288,483</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 6,599,965</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

**False River Air Park Commission**  
**New Roads, Louisiana**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the year ended December 31, 2013**

**OPERATING REVENUES**

Charges for services	
Hangar and land rents	\$ 58,152
Fuel sales	102,987
Miscellaneous revenue	748
	<hr/>
Total operating revenues	161,886

**OPERATING EXPENSES**

Salaries and benefits	43,273
Professional services	4,500
Contract labor	33,521
Insurance	12,721
Utilities	11,977
Fuel purchases	86,723
Repairs and supplies	26,688
Telephone and internet service	7,547
All other expenses	6,976
Depreciation	273,628
	<hr/>
Total Operating Expenses	507,555

**INCOME/(LOSS) FROM OPERATIONS** (345,669)

**NON-OPERATING REVENUES (EXPENSES)**

Interest revenue	1
Operating grants - Pointe Coupee Parish Police Jury	37,500
Operating grants - City of New Roads	35,000
Operating grants - Federal for maintenance projects	122,160
Operating grants - LA DOTD for maintenance projects	141,731
LA DOTD maintenance reimbursements	9,284
Capital asset maintenance and obstruction removal projects expenses	(232,639)
	<hr/>
Total Non-operating Revenues (Expenses)	113,038

Income (Loss) before contributions (232,631)

**CAPITAL CONTRIBUTIONS**

Grants from LA DOTD for capital acquisitions	665,057
Grants from US FAA for capital acquisitions	721
	<hr/>
	665,778

**CHANGE IN NET POSITION** 433,147

**NET POSITION AT BEGINNING OF YEAR** 6,166,818

**NET POSITION AT END OF YEAR** \$ 6,599,965

The accompanying notes to the financial statements are an integral part of this statement.

**False River Air Park Commission**  
**New Roads, Louisiana**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Statement of Cash Flows**  
**For the year ended December 31, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers and users	\$ 161,886
Cash payments to suppliers for goods and services	(179,934)
Cash payments to employees for services	(43,083)
Net Cash Provided by (Used for) Operating Activities	<u>(61,131)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Operating grants from local governments	72,500
Federal and State grants for capital asset maintenance projects	214,740
Capital asset maintenance and obstruction removal projects	(160,715)
Net Cash (Used for) Noncapital Financing Activities	<u>126,525</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(680,115)
Proceeds from grants	634,219
Net Cash (Used for) Capital and Related Financing Activities	<u>(45,896)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Investments	<u>1</u>
Net Cash Provided by (Used for) Investing Activities	<u>1</u>

**INCREASE (DECREASE) IN CASH**

19,499

Cash and Cash Equivalents, Beginning of Year (Unrestricted)

4,148

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 23,647

Unrestricted Cash and Cash Equivalents

\$ 9,841

Restricted Cash and Cash Equivalents

13,806

\$ 23,647

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY (USED FOR) OPERATING ACTIVITIES**

Income/(loss) from operations	\$ (345,669)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	273,628
Net Change in Assets and Liabilities -	
(Increase) Decrease in prepaid expense	104
Increase (Decrease) in accounts payable	10,615
Increase (Decrease) in accrued salaries payable	-
Increase (Decrease) in retirement contributions payable	190
Total Adjustments	<u>284,538</u>
Net cash provided by (used for) operating activities	<u>\$ (61,131)</u>

The accompanying notes to the financial statements are an integral part of this statement.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

## **Introduction**

The False River Air Park Commission (the "Commission") is a joint venture created by a resolution of the Pointe Coupee Parish Police Jury (the "Parish") and the City of New Roads (the "City") in May 1974. The Commission operates under a commission form of government and provides an airport authority under the provisions of Louisiana Revised Statutes (LRS) 2:131, et seq. Said Commission operates under the powers as outlined under LSR 2:135.

## **1. Summary of Significant Accounting Policies**

### **Reporting Entity**

For reporting purposes, the Commission is considered a component unit of the Pointe Coupee Parish Police Jury. The financial reporting entity consists of (a) the primary government (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes: (1) appointing a voting majority of an organization's governing body, and the ability of the police jury to impose its will on that organization, and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury; (2) organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury; and (3) organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

### **Basis of Presentation**

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretations).

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

**1. Summary of Significant Accounting Policies (Continued)**

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Commission are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate self - balancing set of accounts that comprise its assets, liabilities, fund equity, revenue and expense. The operations are financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary Funds -

The focus of proprietary fund is determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The False River Air Port Commission reports a single proprietary fund.

Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. False River Air Park Commission rents/leases hangar space and land for storage of privately owned aircraft.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Budgets

The Commission uses the following budget practices:

- Budgets are prepared for the Enterprise Fund on the GAAP basis and appropriations (unexpended budget balances) lapse at year end.
- Budgetary control is exercised at the line item level
- During the year, monthly budgetary comparison statements are used as a management tool to control operations. When necessary, the Commission adopts budget amendments which are included in minutes published in the official journal.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

**1. Summary of Significant Accounting Policies (Continued)**

Financial Statement Amounts –

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, cash on hand, cash in banks (demand deposits, interest-bearing demand deposits and money market accounts) and highly liquid investments, having a maturity of three months or less when purchased are considered to be cash equivalents.

Receivables and Bad Debts - Receivables consist of all revenues earned at year end and not yet received. The Commission uses the direct charge-off method because it does not cause a material departure from GAAP and it approximates the valuation.

Inventories and prepaid expenses - Inventory of fuel is recorded using the FIFO method. Inventories for supplies are immaterial and are recorded as expenses when purchased. Certain payments to vendors represent payments for future periods and are therefore reported as prepaid expense.

Capital Assets - Capital assets, including public domain infrastructure (e.g. runways, aprons and other assets that are immovable and of value only to the Commission) are defined as assets with an initial cost of more than \$1,000 and an estimated useful life of greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as the projects are completed. Interest incurred during the construction phase of the projects is reflected in the capitalized value of the asset constructed for proprietary funds. As of December 31, 2013, no interest has been capitalized on projects.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital asset.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building and improvements	20-40 Years
Land improvements, runways, aprons and roads	20 Years
Furniture and fixtures	5-10 Years
Equipment	10 Years

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

**1. Summary of Significant Accounting Policies (Continued)**

Defining Operating Revenues and Expenses

The Commission distinguishes between operating and non-operating revenues and expenses - operating revenues and expenses of the Commission consist of charges for services (including rental fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenue and expenses are reported as non-operating.

Fund Equity - Proprietary fund net position is divided into three components:

- Net Investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets..
- Restricted net position - consist of net assets that are restricted by the Commission's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position are reported in this category.

Use of Restricted Resources

When an expense that can be paid using either restricted or unrestricted resources (net position), the Commission's policy is to first apply the expense toward restricted resources then toward unrestricted resources.

Deferred Outflows of Resources and Deferred Inflows of Resources and Net Position

In December 2010, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Commission has no items that qualify for reporting in this category.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

**2. Cash, Cash Equivalents and Investments**

Deposits - Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At year-end, the carrying amount of the Commission's deposits was \$23,647 and the bank balance was \$119,529. All of the bank balance was covered by federal depository insurance.

Investments - State law allows the District to invest in any direct obligation of the United States Treasury; other debt issued or guaranteed by the full faith and credit of the United States; certificates of deposit of any bank in Louisiana; mutual funds which are registered with the Securities and Exchange Commission and invest in securities of the U. S. government or its agencies; guaranteed investment contracts issued by banks or insurance companies or investment grade commercial paper of domestic U. S. corporations. At December 31, 2013 the Commission had no investments.

Cash and Cash Equivalents Summary

Demand deposits	\$ 23,647
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**3. Receivables and Intergovernmental Receivables**

Amounts due False River Air Park Commission at December 31, 2013 consisted of the following:

	Restricted	Unrestricted	Total
Intergovernmental -			
Louisiana Department of Transportation -			
General Aviation Airport Maintenance Program	\$ -	\$ 4,918	\$ 4,918
Capital asset construction projects	275,310	-	275,310
Capital asset maintenance projects	70,008	-	70,008
Federal Aviation Administration -			
Capital asset maintenance projects	11,829	-	11,829
Total governmental	357,147	4,918	362,066
Other -			
Miscellaneous receivable	-	1,000	1,000
Net receivables	\$ 357,147	\$ 5,918	\$ 363,066



**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

**4. Capital Assets -**

The following is a summary of the capital asset activity for the year ended December 31, 2013:

	December 31, 2012	Additions	Deletions	December 31, 2013
<b>Non-depreciable Assets -</b>				
Land	\$ 2,001,056	\$ -	\$ -	\$ 2,001,056
Construction in progress	701,397	712,830	(279,373)	1,134,854
Total non-depreciable assets	2,702,453	712,830	(279,373)	3,135,910
<b>Depreciable Assets -</b>				
Land improvements	925,234	83,444	-	1,008,678
Buildings	1,290,594	-	-	1,290,594
Runways, apron & roads	4,186,969	195,929	-	4,382,899
Equipment	102,517	-	-	102,517
Radios & antennas	214,957	-	-	214,957
Furniture & fixtures	8,833	-	-	8,833
Total Depreciable	6,729,103	279,373	-	7,008,478
Total Capital Assets	9,431,556	992,203	(279,373)	10,144,388
<b>Accumulated Depreciation -</b>				
Land improvements	437,370	46,061		483,430
Buildings	160,276	37,335		197,610
Runways, apron & roads	2,549,808	163,110		2,712,918
Equipment	71,611	6,705		78,315
Radios & antennas	34,273	20,076		54,348
Furniture & fixtures	7,230	342		7,571
Total Accum Depr	3,260,567	273,628	-	3,534,193
<b>Capital Assets - Net</b>	<u>\$ 6,170,988</u>			<u>\$ 6,610,195</u>

Depreciation expense in the amount of \$273,628 is reported as an operating expense in the Statement of Revenues Expenses and Changes in Fund Net Position.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

**5. Retirement System**

*Plan Description* - Substantially all employees of the Commission are members of the Parochial Employee's Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, which separate assets and benefit provisions. All employees of the Commission are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire –

1. at or after age 60 with at least 10 years of creditable service,
2. at or after age 55 with at least 25 years of creditable service, or
3. at any age with at least 30 years of creditable service

Members are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan only service earned before January 1, 1980, plus 3% of final-average salary for each year of service credited after the revision date. Final- average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

*Funding Policy* – Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members of False River Air Park Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The False River Air Park Commission's contributions to the System under Plan for the years ended December 31, 2013, 2012 and 2011 was \$4,852, \$5,965, and \$5,965 respectively.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2013**

**6. Compensation Paid to Board Members**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature no compensation is paid to board members.

**7. Commitments and Contingencies**

Grants – The Commission receives Federal and State grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the False River Air Park Commission that the Commission's compliance with the terms of grants will result in negligible, if any, disallowed costs.

Risk Management – The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, employee health and life; and natural disasters. The Commission has purchased various insurance policies to cover such risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded insurance coverage in any of the past three years.

Litigation and Claims – There is no litigation pending against False River Air Park Commission. There were no claims or litigation costs incurred for the year ended December 31, 2013.

**8. Subsequent Events**

Management has performed an evaluation of False River Air Park Commission's activities through June 9, 2014 and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued on June 9, 2014

## **REPORTS REQUIRED BY GOVERNMENT STANDARDS**

**W. Kathleen Beard, CPA, LLC**  
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Commissioners  
False River Air Park Commission  
New Roads, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of False River Air Park Commission (the "Commission"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued my report thereon dated June 9, 2014.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies listed as items 2013-1 and 2013-2.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **False River Airport Commission's Response to Findings**

False River Airport Commission's response to the finding identified in my audit is described in the accompanying schedule of findings and responses. False River Airport Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***W. Kathleen Beard***

Certified Public Accountant

June 9, 2014

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**

**Current Year Findings and Responses**  
**For the Years Ended December 31, 2013**

**Section I – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of auditor’s report issued: Unqualified

***Report on Internal Control and Compliance Material to the Financial Statements***

Material Weaknesses   ☐ Yes   ☒ No

Significant deficiencies   ☒ Yes   ☐ No

Noncompliance Material to the Financial Statements ☐ Yes   ☒ No

***Federal Awards***

N/A -- Federal awards below \$500,000 thresh hold required by OMB Circular A- 133

***Management Letter***

No management letter was issued.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Finding 2013-1

Condition: As is common in small organizations, the Air Park Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such, management has chosen to engage the auditor to propose certain year-end adjusting entries and the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established.

Statement on Auditing Standards (SAS) No. 115 requires that I report the above condition as a deficiency in internal control. SAS No. 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

Recommendation: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS No. 115 reporting requirements. The Air Park Commission has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review all proposed adjustments, the draft financial statements and notes prior to approving them and accepting responsibility for its contents and presentation.

Management’s Response: Management has agreed with the auditor’s finding and recommendation.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**

**Current Year Findings and Responses**  
**For the Years Ended December 31, 2013**

Finding 2013-2

Condition: There is a lack of segregation of duties within the Air Park office. An important element in designing an internal accounting control system that safeguards assets and reasonably insures the reliability of the accounting records is the concept of segregation of responsibilities. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction. The finding results from the small number of Air Park Commission personnel (one) involved in the financial reporting process, which restricts meaningful segregation of duties.

Recommendation: The Air Park Commission should have proper segregation of duties.

Management's Response: Management believes that achievement of adequate segregation of duties is desirable, however, due to the small size of the Air Park Commission it is not practical or cost effective to completely correct this weakness. Management will institute procedures it believes will mitigate this deficiency by: 1) requiring a board member review and approve all invoices prior to payment, 2) requiring two signatures on all checks 3) jointly perform reconciliations of all bank accounts.



**False River Air Park Commission  
(A Component Unit of the Pointe Coupee Parish Police Jury)  
New Roads, Louisiana**

**Prior Year Findings and Responses  
For the Years Ended December 31, 2013**

**Not Applicable (No findings)**